

**MANAGED HEALTH CARE IMPROVEMENT TASK FORCE  
DECEMBER 12, 1997 BUSINESS MEETING**

**The Task Force did not vote on these Minutes.**

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**Friday, December 12, 1997  
8:30 A.M. until 8:23 P.M.  
1201 K Street [Chamber of Commerce Building]  
12<sup>th</sup> Floor Conference Room  
Sacramento, California**

**AGENDA:**

**I. CALL TO ORDER**[Chairman Alain Enthoven, Ph.D.] - 8:30 A.M.

The business meeting of the Managed Health Care Improvement Task Force [Task Force] was called to order by Chairman, Dr. Alain Enthoven, at the Sacramento Chamber of Commerce Building at Sacramento, California.

**II. ROLL CALL**

Task Force Administrative Assistant Lawrence Ahn took roll. The following Task Force members were present: Dr. Bernard Alpert; Dr. Rodney Armstead; Ms. Rebecca Bowne; Dr. Donna Conom; Ms. Barbara Decker; Dr. Alain Enthoven; Ms. Nancy Farber; Ms. Jeanne Finberg; Hon. Martin Gallegos; Dr. Bradley Gilbert; Ms. Diane Griffiths; Mr. Terry Hartshorn; Mr. William Hauck; Mr. Mark Hiepler; Dr. Michael Karpf; Mr. Clark Kerr; Mr. Lee; Dr. J.D. Northway; Ms. Maryann O'Sullivan; Mr. John Perez; Mr. Anthony Rodgers; Dr. Helen Rodriguez-Trias; Ms. Ellen Severoni; Dr. Bruce Spurlock; Mr. David Tirapelle; Mr. Ronald Williams; Mr. Allan Zaremborg; and Mr. Steve Zarkin.

The following ex-officio members were also present: Ms. Kim Belshe; Ms. Marjorie Berte, Dr. David Werdegarr; and Mr. Michael Shapiro.

**III. PUBLIC COMMENT**[9:00 A.M.]

Chairman Enthoven began the business meeting stating that since a quorum was not yet present, he would take public comments at this time.

- 1) Ms. Maureen O'Haren- California Association of Health Plans** Ms. O'Haren addressed the Financial Incentives for Providers in Managed Health Care Plans Findings and Recommendations. She said that it would be inappropriate for the agency regulating health care service plans not to involve the plans in any sort of program as far as disclosure of incentive arrangements.

Ms. O'Haren also asked the Task Force to clarify language regarding the Financial Incentives for Providers in Managed Health Care Plans Recommendation No. 4(A) because she felt the language needed to be reworded.

- 2) Ms. Conni Barker- California Psychiatric Association** Ms. Barker recommended that a provision to Recommendation No. 2. (A)(1) of the Financial Incentives for Providers in Managed Health Care Plans Findings and Recommendations be added to address the need for continuity of care between a physician and a patient when a physician is removed from a HMO panel.

- 3) **Ms. Catherine Dodd**- American Nurse Association - California Ms. Dodd suggested that the word "physician" be changed to "health care provider" throughout the paper entitled, Physician - Patient Relationship.
- 4) **Ms. O'Haren** In regards to the Consumer Involvement and Information Findings and Recommendations, Ms. O'Haren said that sometimes the lack of knowledge about managed care gets confused with a lack of information about managed care. She said that enrollees do not always read the information they are currently provided, and that an educational booklet would probably not be a wise expenditure of resources.
- 5) **Ms. Dodd** On the same topic, Ms. Dodd stated that consumer choice should also include the choice of a certified nurse practitioner, a certified midwife practitioner, and a clinical nurse specialist.
- 6) **Ms. O'Haren**. Regarding the Governmental Oversight on Managed Care Findings and Recommendations, Ms O'Haren said that at first the new regulatory entity should regulate only health care service plans and that anything else should be considered later. She also said that in no event it would be appropriate to regulate a physician office or clinic under the same auspices.

On the Improving the Practice of Medicine Findings and Recommendations, Ms. O'Haren said that her organization opposes the proposal on eliminating prior authorization, especially for catastrophic conditions. An study of the American Association of Health Plans showed, she said, that health care premiums would increase as much as 12 percent depending on how much defensive medicine or defensive coverage decision are made because of expanded liability.

Then, referring to the Improvement of Managed Care Through Coordination and Integration: Case Study on Women Findings and Recommendations, Ms. O'Haren expressed her concern with Recommendation No. 3 which suggests that health plans be required to cover out-of-network care. She said that requiring plans to provide out-of-network care would not be consistent with current law.

- 7) **Ms. Dodd** Ms. Dodd, on the other hand, suggested to the Task Force that health plans provide direct access to obstetrics/gynecologists as well as to certified nurse midwives and women's health care practitioners.
- 8) **Mr. Scott Syphax**- California Medical Association (CMA). Mr. Syphax addressed the Governmental Oversight of Managed Health Care Findings and Recommendations by stating that the CMA strongly advocates establishing a new regulatory entity headed by a board or a board with a full time chief executive or chairman.

#### **IV. OPENING REMARKS** {Chairman Enthoven} - 10:00 A.M.

Chairman Enthoven, announcing that the Task Force now had a quorum, began the business meeting by congratulating members for the tremendous amount of progress they have made to date. Chairman Enthoven said that if the Task Force stays on its projected course, it will reach majority support for close to 100 recommendations which, when taken together, will add up to a far-reaching change in the regulatory system and the general functioning of the managed care industry in California.

He also said that he hoped to have Task Force members prioritize the adopted recommendations through a Delphi-Questionnaire.

Chairman Enthoven also said that all background papers will be mailed out (via Federal Express) to Task Force members by December 22, and reminded members to fax their individual letters for inclusion in the Main Report to Deputy Director Alice Singh by noon on December 19.

The Report's Executive Summary will contain a paragraph indicating that the Task Force could not address all issues on managed care nor would it contain a cost-benefit analysis of the recommendations. Mr. Lee further suggested that Task Force staff include all related findings in all papers.

Ms. Griffiths expressed her concern that the ways in which the Task Force papers are being drafted are sufficiently unclear and that it will affect the credibility and the meaning of the recommendations. Specifically, Ms. Griffiths cited the use of inconsistent phraseology. Thus, she asked the Task Force to use the same terms and terminology throughout the whole document or documents.

Mr. Lee raised some questions on the Public Perceptions and Experiences with Managed Care Paper. He moved that the Task Force include the Public Perceptions and Experiences with Managed Care Paper Findings in the Main Report with the caveat that it would not require a Task Force vote. His motion was seconded by Ms. Finberg.

Ms. Bowne then moved to amend Mr. Lee's motion by stating that the entire Public Perceptions and Experiences with Managed Care Paper [Findings and Background] shall be included in the Main Report. The motion to amend Mr. Lee's Main Motion was seconded by Mr. Lee and was adopted 20 to 1.

The Main Motion to include the Public Perceptions and Experiences with Managed Care Paper in the Main Report with the caveat that it would not require a Task Force vote was also adopted 20 to 1.

Ms. Farber asked that the results of the third sample of the public survey commissioned earlier by the Task Force be included in the Public Perceptions and Experiences with Managed Care Paper. Chairman Enthoven agreed to accommodate Ms. Farber's request, time permitting.

## **V. CONSENT ITEMS**

Mr. Rodgers moved to adopt the only Consent Item - the October 28, 1997 Meeting Minutes. Mr. Kerr seconded the motion and it was adopted unanimously.

## **VI. NEW BUSINESS - 11:25 A.M.**

***NOTE: Please refer to the Adopted Findings or Adopted Findings and Recommendations Sections for the text as adopted by the Task Force today. Proposed and adopted language is not included in these minutes due to time and space constraints.***

### **A. Adoption of the Findings Section of the Academic Medical Centers Paper.**

Chairman Enthoven expressed his apologies to Task Force members for not getting to them line-in line-out versions of some of the papers to be addressed at today's meeting.

Chairman Enthoven then asked members to move to the Findings Section of the Academic Medical Centers Paper. Ms. Bowne moved to adopt the Findings Section of the Academic Medical Centers

Paper, and Ms. Decker seconded the motion. However, before voting on the Findings, members agreed to table the item until the arrival of Dr. Karpf, one of the document's primary authors.

When Dr. Karpf arrived, the Task Force reconvened its discussion of the document. Dr. Karpf said that this was a hard paper because there are a lot of sentiments and not as much information as one would like to have about the impact of managed care on academic medical centers. He further said that the education and appropriate training of medical providers is a public good. The financial support for medical education has never been clearly defined. To a substantial degree, he said, the cost of medical education has been supported by clinical revenues through cost shifting. Then, as pressure on reimbursement intensifies and clinical revenues are threatened, more discrete funding streams need to be identified. Dr. Karpf also stated that it is in the interest of the public to define the cost of medical education and to develop stable funding mechanisms for the continued excellence of medical education.

Several technical amendments were made to the Findings as suggested by Task Force Members, including the addition of a paragraph on medical profession education, as proposed by Dr. Karpf.

After some discussion, Dr. Rodriguez-Trias moved to adopt the Findings, as technically amended. Ms. Bowne seconded the motion and it was adopted 24 to 0.

## **B. Adoption of the Findings and Recommendations Section of the Financial Incentives for Providers in Managed Health Care Plans Paper.**

### Recommendation No. 1

Task Force members accepted several informal amendments to this recommendation, including the substitution of "with providers of health care services" with "medical groups/IPAs or health practitioners", and to phrase the recommendation so that the information disclosed to consumers was sufficient to enable them to evaluate and compare plans.

Dr. Northway moved to adopt Recommendation No. 1, as technically amended and seconded by Mr. Peter Lee. The motion was adopted 16 to 5.

### Recommendation No. 2

Several changes were accepted to this recommendation, including adding the phrase "health plans and their contracting" before the words "medical groups".

Mr. Lee moved to adopt this recommendation as technically amended, and it was seconded by Mr. Kerr. The recommendation adopted 19 to 0.

### Recommendation No. 3

Ms. Farber moved to adopt this recommendation as proposed and it was seconded by Mr. Lee. The motion was adopted 21 to 1.

### Recommendation No. 4 (a), (b) and (c)

Recommendation No. 4 (a) was informally amended to: 1) delete text regarding the substantial cost of professional services; and 2) exclude from this recommendation aggregated or pooled risk adjustments of e.g., five or more practitioners.

Several informal, technical amendments to Recommendation No. 4 (b) were accepted, and Recommendation No. 4 (c) was informally amended to add that this recommendation should be administered in a manner that minimizes the administrative burden to plans and providers.

Mr. Lee moved to adopt all parts of Recommendation No. 4, as amended, and it was seconded by Mr. Kerr. The motion was adopted 20 to 0.

Recommendation No. 5

This recommendation was informally and technically amended. Mr. Lee moved to adopt the recommendation, as amended, and Ms. Bowne seconded it. The motion was adopted 20 to 0.

Recommendation No. 6

This recommendation was informally amended to delete the names of specific stakeholders to form an advisory group and instead, the advisory group is to be convened by the state agency responsible for regulating managed care and is to be composed of the major stakeholders.

Mr. Lee moved to adopt Recommendation No. 6, as technically amended and it was seconded by Ms. Bowne seconded. The motion was adopted 24 to 0.

Recommendation No. 7

Mr. Lee moved to adopt this recommendation, as proposed, and Mr. Kerr seconded the motion. It was adopted 23 to 0.

Findings Section

Mr. Lee moved to adopt Findings Section with one minor, technical amendment. Mr. Rodgers seconded the motion and it was adopted 22 to 0.

Generally speaking, Ms. Griffiths suggested that in cases where the Task Force places a new requirement on a plan that that requirement be conditioned with language stating that the requirement must be complied within the parameters of existing law.

**C. Adoption of the Findings and Recommendations Section of the Physician-Patient Relationship Paper.**

Recommendation No. 1

Recommendation No. 1 (a) was informally amended to add a phrase regarding existing law and to delete references to the requirement of health plans and medical groups/IPAs to write contractual arrangements, under specified circumstances.

Recommendation 1(b) was also informally amended to specify a plan's cost of network or PPO rates.

Mr. Lee moved to adopt Recommendation No 1, as amended, and it was seconded by Ms. Bowne. The motion was adopted 26 to 0.

Recommendation No. 2

Ms. Bowne moved to adopt Recommendation No. 2, as proposed, and Dr. Karpf seconded.

Ms. Finberg then moved to amend the recommendation to delete the phrase "...if any, and the plan medical director that an enrollee needs continuing care from a specialist". Ms. Severoni seconded the motion and it was adopted 24 to 0.

In addition, the recommendation was split into two sections - (a) and (b). Section (b) began with language referring to the way referrals should be conducted.

The Main Motion to adopt the recommendation, as amended, was adopted 26 to 0.

### Recommendation No. 3

This recommendation was informally amended to add that if a patient is assigned to or chooses a primary care provider, and the provider's medical group/IPA or health plan directs that patient for an appointment to another physician, et al., that the patient should be informed verbally and should consent prior to the appointment

Ms. Farber moved to adopt the recommendation, as amended and Dr. Rodriguez-Trias seconded it. The motion was adopted 25 to 0.

### Recommendation No. 4

Members agreed that the goal of Recommendation No. 4 is to improve the informed consent process and to improve the informed consent process with data. Thus, it was informally accepted that the recommendation would be amended to add a clarifier that as information relevant to the quality of care becomes available, physicians, regardless of financing or delivery system, should include all relevant information at every level of care in the informed consent process.

Mr. Lee moved to adopt the recommendation, as amended, and it was seconded by Mr. Williams. The motion was adopted 25 to 0.

### Recommendation No. 5

After a lengthy debate and discussion, Recommendation No. 5 was completely re-written to read:

- (a) *Federal reforms related to confidentiality of patient information and patient access and rights with respect to their medical records should be monitored, and state law should be consistent. In addition, state law should be reviewed to ensure confidentiality of individually-identifiable health care information and patient access and rights with respect to access to their medical records, while allowing health plans, provider groups, and providers to undertake activities required by law, including the provision of health care, outcomes research, risk adjustment and research to advance evidence-based medicine, payment for services, peer review, quality assurance, utilization review, and investigation of grievances. When disclosure is required, no greater amount of information should be disclosed than is necessary to achieve the specific purpose of the disclosure. Otherwise, information should not be released unless authorized by patient consent or by law.*
- (b) *No health plan or any of its contractors should be allowed to require an enrollee, as a condition for securing health care services, to sign a release or consent form which waives any individually-identifiable, medical information confidentiality protections for the purpose of using such information for commercial purposes.*

Mr. Schlaegel moved to adopt Recommendation No. 5(a), and it was seconded by Mr. Kerr. The motion was adopted 23 to 0.

Dr. Spurlock moved to adopt Recommendation No. 5(b), and Ms. Farber seconded it. The motion was adopted 21 to 0.

### Findings Section

Mr. Lee moved to amend the Findings Section, with several technical amendments, and Mr. Schlaegel seconded the motion. It was adopted 24 to 1.

### **Public Comment:**

**Ms. LeeAnne Tratler -Consumer Attorneys of California** Ms. Tratler bluntly said that Recommendation No. 3 fell short of its goal -- the problem is that the reference to costly lawsuits is without empirical foundation.

She asked the Task Force to amend the recommendation to reflect a statement of intent that HMOs should be accountable. She also asked that the federal government address that problem in the ERISA statute and not to address the liability issues at this time as they are without empirical foundation.

**D. Adoption of the Findings and Recommendations Section of the Governmental Regulation and Oversight of Managed Care Paper.**

Chairman Enthoven said that the question “Who should lead the state’s new agency responsible for regulating managed health care – a Department Director or an appointed Board?” is a difficult one to answer and one that should not be settled by this Task Force. The Chairman cited that neither option had sufficient votes to pass and that instead, the Task Force should simply present both options in its Recommendations.

Mr. Gallegos discouraged members from this mode and instead, felt that the Task Force should vote to support one form of leadership. Chairman Enthoven said that the Findings and Recommendations Section of the Governmental Regulation and Oversight of Managed Care Paper would be discussed and voted on at tomorrow’s meeting.

**Public Comment:**

**Mr. John M. Curtis -Discobolus Consulting Services** Mr. Curtis said that because of the rapid proliferation of managed health care plans, HMO’s now constitute over 90 percent of the health plans sold in California and more than 75 percent nationwide. He said that the industry clearly needs to be regulated.

**E. Adoption of the Findings and Recommendations Section of the Expanding Consumer Choice Paper.**

Recommendation No. 1

Mr. Lee moved to adopt Recommendation No. 1 as proposed, and it was seconded by Ms. Bowne. The motion was adopted 24 to 0.

Recommendation No. 2

Mr. Lee moved to adopt Recommendation No. 2, as proposed and Ms. Bowne seconded it. The motion was adopted 23 to 0.

Recommendation No. 3

After a very lengthy discussion, Ms. Finberg moved to adopt Recommendation No. 3 as proposed. Ms. Diane Griffiths seconded her motion. The motion was adopted 17 to 7.

Recommendation No. 4 [New]

Mr. Kerr suggested an additional recommendation to provide people with an opt-out alternative and also to stimulate competition among the health care plans to make sure plans have quality providers in their networks so that consumers will not want to opt-out. Several changes were accepted to Mr. Kerr’s recommendation. After which, Mr. Kerr moved to adopt his recommendation and Ms. Farber seconded it. The motion failed 14 to 11.

After additional discussion and informal amendments were made, Mr. Lee moved to adopt Mr. Kerr's revised recommendation, and it was seconded by Mr. Schlaegel. The motion was adopted 23 to 2.

Recommendation No. 4, as adopted, reads:

*The Legislature and the Governor should convene a working group of stakeholders including health plans, providers, purchasers and consumers to examine the issue of how to increase consumer choice of provider on a cost-neutral basis.*

#### Findings Section

Mr. Lee moved to adopt the Findings as amended and Dr. Rodriguez-Trias seconded it. The motion was adopted 24 to 2.

### **F. Adoption of the Findings and Recommendations Section of the Dispute Resolution Paper.**

Ms. Farber started the discussion by saying that what is important in this paper is the time frame in which a health plan has to "take up" an enrollee's complaint. Ms. Barbara Gilmore, with the Department of Corporations, responded to Ms. Farber by saying that between the statute and the regulations, the department considers the clock to start ticking when a health plan receives a complaint, whether they receive it over the telephone or in writing.

#### Recommendation No. 1

Mr. Lee moved to adopt Recommendation No. 1, as proposed. Ms. Decker seconded it. The motion was adopted 16 to 0.

#### Recommendation No. 2

Mr. Lee then moved to adopt Recommendation No. 2, as proposed, and it was seconded by Ms. Farber. The motion was adopted 20 to 0.

#### Recommendation No. 3 and 3(a)

A motion was made by Mr. Lee to adopt Recommendation No. 3 and 3(a), as proposed. Ms. Farber seconded the motion. The motion was adopted 19 to 0.

#### Recommendation No. 3(b)

Several informal changes were accepted to Recommendation No 3(b), including changing the language so that it was consistent with existing law and stating that in two years the state agency should recommend whether all plans should be required to respond or resolve a complaint within 72 hours instead of the five days currently required

Ms. Bowne moved to adopt the recommendation and Mr. Lee seconded it. The motion was adopted 20 to 0.

#### Recommendation No. 3(c)

Mr. Lee moved to adopt this recommendation, as proposed and it was seconded by Ms. Decker. The motion was adopted 23 to 0.

#### Recommendation No. 3(d)

Mr. Lee moved to adopt this recommendation, as proposed and Mr. Gallegos seconded it. The motion was adopted 24 to 0.



Recommendation No. 3(e)

This recommendation was informally amended to say that health plan enrollees should be provided the opportunity to participate at least once, in person in the grievance process.

Mr. Lee moved to adopt the revised recommendation and Chairman Enthoven seconded it. The motion was adopted 22 to 1.

Recommendation No. 3(f)

This recommendation was also informally amended to include that the patient should be notified in writing and verbally when an in-plan physician's recommendations are denied by a health plan or medical group.

Mr. Lee moved to adopt the revised recommendation and Mr. Kerr seconded it. The motion was adopted 25 to 0.

Recommendation No. 3(g)

Mr. Lee moved to adopt this recommendation with minor, technical changes. Ms. Bowne seconded the motion and it was adopted 23 to 0.

*Recommendation No 3(h) was rolled into Recommendation No. 3(e).*

Recommendation No. 3(l)

A few clarifying changes were accepted to this recommendation, including language consideration of the cost, comparability and validity of complaint information to be reported and a statement that no such report should conting upon confidential and peer review.

Ms. Decker moved to adopt this recommendation and Mr. Lee seconded it. The motion was adopted 22 to 0.

Recommendation No. 3(j)

With the informal amendment accepted to this recommendation so that it reads:  
*The agencies responsible for managed care oversight should provide a single statewide 800 number that seamlessly transfers the consumer to the appropriate agency,* Mr. Lee moved to adopt the recommendation and it was seconded by Mr. Kerr. The motion was adopted 21 to 0.

Recommendation No. 4

Mr. Lee moved to adopt Recommendation No. 4 and Ms. Bowne seconded it. The motion was adopted 22 to 0.

Recommendation No. 5

Dr. Rodriguez-Trias moved to adopt Recommendation No. 5, as proposed, and Ms. Bowne seconded it. The motion was adopted 23 to 0.

Recommendation No. 6

Mr. Lee moved to adopt this recommendation, as proposed. Ms. Bowne seconded the motion and it was adopted 26 to 0.

Recommendation No. 7

Several changes were accepted to this recommendation, including the addition of several "appropriate activities" for the accessibility of consumer information. Mr. Lee moved to adopt the recommendation and it was seconded by Ms. Decker. The motion was adopted 20 to 1.

#### Recommendation No. 8

Several changes were accepted to this recommendation, including the statement that the state agency responsible for regulating managed care should be directed to establish and implement by January 1, 2000 [instead of “establish within two years”] an independent third-party review process.

Mr. Lee moved to adopt this recommendation, as revised and Ms. Farber seconded. The motion was adopted 20 to 1.

#### Recommendation No. 10

Mr. Lee moved to adopt this recommendation, as proposed and Ms. Decker seconded it. The motion was adopted 23 to 1.

#### Recommendation No. 9

Chairman Enthoven then announced that the Task Force would address next the Arbitration Standards issue [Recommendation No. 9]. Mr. Gallegos explained why he thought the Task Force should recommend arbitration standards. He said that it is important for the Task Force to deal with dispute resolution and that the area of binding arbitration cannot be neglected. Based on the proposal, arbitrators would be independent. A few technical changes were accepted to the recommendation.

Mr. Lee moved to adopt recommendation No. 9(a), and Mr. Gallegos seconded it. The motion failed 13 to 6.

Mr. Hiepler moved to adopt Recommendation No. 9(b), and Dr. Rodriguez-Trias seconded the motion. The motion failed 15 to 5. However, Mr. Rodgers proposed an amendment to this recommendation to delete the word “independent” from “arbitration systems” and moved to adopt the recommendation as revised. Ms. Bowne seconded the motion and it was adopted 20 to 2.

Mr. Gallegos moved to adopt Recommendation No. 9(c) and Ms. Griffiths seconded it. The motion failed 14 to 4.

Ms. Farber moved to adopt Recommendation No. 9(d), as amended to include patient and physician personal and confidential information to be excluded from an arbitration award notice. Ms. Finberg seconded the motion which was adopted 16 to 2.

#### Alternative No. 1

Mr. Hauck moved to delete Alternative 1. Multiple Task Force members seconded the motion, and it was adopted 16 to 4.

#### Alternative No. 2

Mr. Hauck moved to adopt Alternative No. 2 and Mr. Schlaegel seconded it. The motion was adopted 18 to 7.

#### New Recommendation

Mr. Hiepler then moved to adopt a recommendation stating that all health plans should be able to make arbitration optional to enrollees. Mr. Lee seconded the motion and it failed 12 to 11.

#### Findings Section

Mr. Schlaegel then moved to adopt the Findings Section, as proposed. Mr. Lee seconded it and the motion was adopted 23 to 0.

## **G. Adoption of the Findings and Recommendations Section of the New Quality Information Development Paper.**

Chairman Enthoven announced that a new version of this document, dated December 12, 1997, was now available to Task Force members. Chairman Enthoven said that Mr. Kerr had made some technical amendments to Recommendation No. 5 and the changes are reflected in the new version of this document.

### Recommendation No. 1

Several changes were accepted to this recommendation, including the provisions that: 1) the state agency responsible for regulating managed care should approve all data requests and make specific findings on costs and benefits; and 2) that the agency should coordinate data requests to avoid duplication.

Mr. Lee moved to adopt the recommendation, as revised and it was seconded by Ms. Decker. The motion was adopted 21 to 0.

### Recommendation No. 2

Several changes were also accepted to this recommendation including the addition of a statement that the regulatory authority should strongly encourage and help provide leadership and coordination regarding the issue of electronic medical records. Further, the system of electronic medical records should be phased-in with a target date of 2002-2004.

Dr. Rodriguez-Trias moved to adopt the recommendation, as amended and Ms. Decker seconded the motion. The motion was adopted 19 to 2.

### Recommendation No. 3

This recommendation was moved for adoption by Mr. Lee with a provision regarding cost to be added. Ms. O'Sullivan seconded the motion and it was adopted 17 to 1.

### Recommendation No. 4

This recommendation was moved for adoption by Mr. Lee with a provision regarding cost to be added. Chairman Enthoven seconded the motion and it failed 15 to 6.

Mr. Kerr moved that this recommendation be granted reconsideration and Ms. Finberg seconded the motion. The motion failed 15 to 4.

Due to the lateness of the hour, Chairman Enthoven said that Recommendation No. 5 and the Findings Section would be discussed at tomorrow's meeting.

## **VII. PUBLIC COMMENT**

**Ms. Stephanie Munoz**. Ms. Munoz addressed the subject of academic medical centers and said that the funding for these centers comes from the community with its will that "excellence in medicine is the highest expression of human endeavor and from the [medical] residents and the [medical] resident's future patients."

She asked the Task Force to consider asking the state to broker health insurance so that "those \$5,000, which have already been paid by every insured person in 1991, 1992 and 1993 could be available to pay the medical expenses of those who need tertiary hospital care in 1994."

## **VIII. ADJOURNMENT**

Without objection Chairman Enthoven adjourned the first of a two-day meeting at 8:23 P.M. The Chairman also stated that Saturday's meeting would start promptly at 8:00A.M.

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**Prepared by: Enrique J. Ramirez, Ph.D., and Alice M. Singh**